STEVE WESTLY
California State Controller

PROJECT CHARTER

for the

21st Century Project

Prepared By

21st Century Project Management

July 1, 2004

Project Sponsor: **Steve Westly, State Controller**

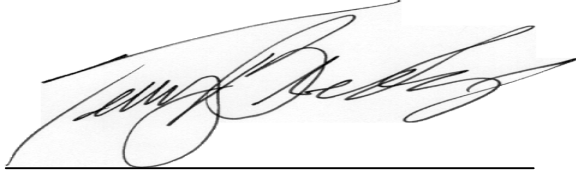**21st Century Project**
Project Charter

CONTENTS

21st Century Project
Project Charter

1.0 PROJECT IDENTIFICATION

Project Name:	Human Resources Management System – 21st Century Project	Original Date:	July 1, 2004
		Revision Date:	July 1, 2004
		Version #:	1.0
Project IDs:	FSR: Project No. 0840-70	Approval Date:	May 24, 2004
	BCP:	Approval Date:	
Project Sponsor:	Steve Westly, State Controller		
Project Manager(s):	 _____ Terry Bridges, Technical Manager _____ Don Scheppmann, Business Manager		
Project Business Partners:	Department of Personnel Administration Judicial Council State Personnel Board California State University, Chancellor's Office Stephen P. Teale Data Center		

2.0 OVERVIEW

2.1 Project Background

The State Controller's Office (SCO) formally initiated the 21st Century Project (Project) in July 1999. There were two principal catalysts that prompted the initiation of the Project: the independent performance audit of the SCO and the Conceptual Vision Document (CVD). The Project endeavors to improve the State's human resources/payroll business process to move away from its reliance on aging technologies and provide an adaptable system fully capable of taking advantage of existing technologies and best practices. The Project will provide a proven, commercial-off-the-shelf (COTS) software package for a Human Resources Management System (HRMS)/Payroll System to replace the existing State-level human resources and payroll processes/systems. In 2001 the procurement had been completed for a software package and system integrator. However, due to State funding issues the procurement was cancelled prior to signing the contract.

The SCO has now been authorized to re-initiate the Project. In the current effort, two procurements are being conducted to obtain and implement an integrated HRMS/Payroll System. The first procurement will be to select a COTS HRMS/Payroll software package with the following functionalities: Position Management, Employment, Payroll, Benefit Administration, Leave Accounting, Timekeeping, Management Reporting, Employee Self-Service, Workflow, and What-if Scenarios. The second procurement will immediately follow the selection of the COTS when a second RFP incorporating the selected COTS software bidder's proposal (including costs) will be issued to secure system integration services. The proposed software must operate at and use the technologies and computing platforms supported by the State's Stephen P. Teale Data Center.

Numerous organizations interact with the system operated by SCO. The business programs of each of these organizations, to the extent they involve employment history and payroll processing, will be affected. The primary entities affecting or affected by the system include, the SCO, Department of Personnel Administration (DPA), State Personnel Administration (SPB), Department of Finance (DOF), California State University (CSU) Chancellor's Office, and the Judicial Council of California as well as departments and campuses.

2.2 Problem/Opportunity Statement

California's current employment history (HR) and payroll systems depend on 30-year-old technology and lack needed functionality or the necessary flexibility to satisfy today's HR/Payroll demands. The current systems were designed to meet limited objectives at a time when the State had 40 percent fewer employees and was not engaged in collective bargaining. Due to their age and the number of changes that have been made over the years, many of the applications are poorly structured and difficult to operate and maintain. The systems were developed as business needs were presented and without the benefit of an overall architecture for the SCO information technology. As a result, the applications are "stovepipe" systems that only address a single organization need. Although these systems are meeting their original objective of maintaining employment records and ensuring that employees are paid on time, they present significant problems. These problems include:

- Limited capability to respond to the varied needs of human resources managers in an era of collective bargaining and innovative job practices.

- A majority of personnel transactions/tasks are labor-intensive and paper-based, resulting in business practices that are inefficient and costly.

- The inability to retain skilled personnel due to attrition/retirements to maintain existing systems and the inability to attract the interest of the contractor community to support outdated technologies.

- Limited access to management information restricting support to line departments and control agencies.

- Payroll processing that is inflexible and limited in existing functionalities.

- Difficult and time-consuming maintenance of the current SCO systems.

- Aging legacy systems that are at risk of failure.

Although it is not possible to accurately predict the potential for failure of these legacy systems, it can be reasonably assumed that it will ultimately occur. If that failure is allowed to occur through inaction on the part of State government, the consequences of failure to pay State employees from a legal as well as a political perspective will be significant. The statewide impact of a major failure in a system that processes more than $1 billion in payroll each month would be extremely severe and costly to State operations, as well as to California business interests, banks, lending institutions, unions, legislative processes, vendors, and workers. Each of these stakeholders would be put at risk by the inability of the existing system to provide paychecks, calculate benefits, extract management information, and ensure fiscal accountability for a large portion of State budget expenditures.

2.3 Project Objective Statement

The Project's objective is to re-engineer State business practices and replace the existing HR/Payroll Systems with COTS software. The business process improvements will in turn provide a tangible return on the investment. The procurement of a COTS solution will transfer to the software manufacturer the responsibility and cost for staying current with the latest proven technology. Staying current will enable the State to continually improve the effective and efficient management of its human resources and accurately and timely fulfill its payroll and benefit administration obligations. In addition, implementing a new HRMS/Payroll System will allow the State to move from a transaction-based system to an enterprise database system that supports the demands of management in the new information age environment.

2.4 Project Sponsor

Steve Westly, State Controller, is the Project Sponsor and responsible for Project guidance and direction.

2.5 Stakeholder(s)

Stakeholder	Job Function
State Executive Steering Committee	**State Executive Steering Committee**. The State Executive Steering Committee acts as the governing authority for overall guidance and support at the State-level and will conduct oversight of critical Project factors and State-level Project goals.
State Controller's Office	**SCO Steering Committee**. The SCO Steering Committee acts as the SCO governing authority for internal departmental guidance and resource commitment. **Personnel/Payroll Services Division (PPSD).** PPSD, as the administrator and operator of the Uniform State Payroll System's and human resource business functions, is responsible for business maintenance, and requesting modifications, and enhancements to the automated Employment History, Payroll, Leave Accounting, Position Control, and management reporting systems. **Information Systems Division (ISD).** ISD is responsible for maintenance and enhancement of all the SCO applications using the State of California information technology strategies and strategic plans, and includes the SCO Project Management Office. **Administration and Disbursements Division (ADD).** ADD is responsible for printing and distributing payments for the State of California's bills through electronic transfers and printed warrants. **Division of Accounting and Reporting (DAR).** DAR maintains uniform and systematic control accounts of all receipts, payments, balances in State funds, and bonded indebtedness to ensure compliance with all Constitutional and statutory provisions.

Stakeholder	Job Function
Department of Personnel Administration (DPA)	DPA is the salary setting and rule making authority and the Governor's representative for labor relations for the majority of civil service employees. They establish the rules, and policies that govern the non-merit human resources aspects of the California Civil Service System for civil service and exempt employees.
State Personnel Board (SPB)	SPB is responsible for California's Civil Service Merit System. Within the framework of the merit system established by the State Constitution, the SPB oversees all merit aspects of the employment practices, and receives and resolves personnel action appeals on medical issues, examination and discrimination complaints, and adverse actions.
Department of Finance (DOF)	DOF assists and advises the Governor in the formulation of policies and programs. The principal functions of DOF are to: prepare, present, and support the annual financial plan of the State; serve as the Governor's chief fiscal policy advisor; assure responsible and responsive State resource allocation within available resources; operate the CALSTARS program (state accounting system); establish policies for the establishment and approval of positions; and establish integrity in State fiscal and program performance databases and systems.
California State University (CSU), Chancellor's Office (CO)	The CO, as the chief executive office of the CSU System, develops system-wide policy, with actual implementation at the campus level taking place through broadly based consultative procedures. In the area of human resources, the programs under the CO include Human Resources Administration, Academic Human Resources, Employee Relations, Labor Relations and Professional Development, and benefits administration.
Stephen P. Teale Data Center (TDC)	TDC provides technology resources for State agencies and provides the statewide California State Government Network (CSGnet); a multi-protocol routed TCP/IP network. TDC supports the State's technology infrastructure and provides computing and connectivity services.
Judicial Council	The Judicial Council develops policies and rules to support the administrative office staff of the Court System. In addition, the Judicial Council administers its own classification plans and terms of employment, and provides program administration.

3.0 OBJECTIVES

3.1 Business Objectives

Key Project business objectives include:

1. Provide the State with the capabilities to improve business processes and service access;
2. Minimize the State's operational costs and maximize efficiency.
3. Eliminate the risks associated with a potential failure of the current HR/Payroll Systems.
4. Take advantage of best practices to identify areas of human resource management that can be standardized and improved.
5. Provide a technology solution that meets customer needs and fulfills the mission and vision of the Controller's Office and the State IT/Business governance practices.

Critical Success Factors to ensure key Project objectives are met include:

1. The ability for the State employees to manage and access, wherever possible, the information associated with their position and those for whom they have responsibility.
2. A reduction in the hard and soft costs associated with human resource management.
3. A proven, sustainable architecture and COTS that is capable of growth.
4. Standardized business processes that allow State agencies to use a single HRMS/Payroll system.
5. Allow tailoring of human resources administration to the specific requirements of individual departments.
6. Establish a State standard for the required sharing of human resources information between departments.

4.0 PROJECT CHARACTERISTICS

4.1 Assumptions

Project Assumptions include:

1. Following industry-standard Project management best practices to ensure that the Project is completed on time and within budget.
2. Assessing requirements with extensive end user input and participation to ensure the ultimate satisfaction of the end-user.
3. Procuring best value contractors as appropriate.
4. Complying with DOF-TOSU State requirements for IT Projects, and adherence to the IT Project Oversight Framework.
5. Using a split procurement process to allow for procurement of the COTS and system integrator separately;
6. Being governed by a State Steering Committee that is in compliance with State directives in managing information technology projects.
7. Employing a funding strategy that uses federal, general, special and reimbursement funds and vendor financing.
8. Asking stakeholders to play a major role in the successful implementation of the new HRMS/Payroll system.
9. SCO serving as the lead for of the Project.
10. Promoting and developing business processes to allow for the proactive delivery of Project objectives.

4.2 Constraints

Project Constraints include:

1. A State fiscal crisis and general fund economic condition that calls for the implementation of innovative funding methods and financing.
2. The State's hiring procedures that require accommodation of those employees in danger of layoff (SROA list personnel) which may limit hiring staff with the expertise required to successfully implement a Project of this complexity.
3. As SCO's business partner, TDC provides all data center services necessary for statewide HRMS/Payroll operations.
4. The SCO as the primary human resource system administrator, is not the policy maker for human resources.
5. The State's complex procurement processes negatively impact the procurement of services by delaying the schedule thus increasing costs and risks.
6. Existing system integration such as CALSTARS (California State Accounting and Reporting System) and other department systems.
7. Recommendations that may be proposed by the California Performance Review Committee (CPR) and may impact the Project.
8. A rollout process that requires operation of new and existing systems concurrently.
9. Labor Relations' requirements in bargaining unit contracts.

4.3 Issues

Project Issues include:

1. Fully deploy systems.
2. Secure multiple year funding.
3. Recruit and retain key staff with essential expertise and skill levels.
4. Manage change and stakeholder turnover.
5. Maintain the schedule to avoid Project delays in initiation that could increase costs.
6. The need to secure agreement from unions for some changes.

4.4 Related/Dependent Projects

Related/Dependent Projects include:

1. CSU implementation of PeopleSoft applications.
2. Department of Corrections' HR BIS Project and other department customized back-end system HRMS projects.
3. State Data Center systems (e.g. TDC and HHSDC).
4. Existing SAP, PeopleSoft, or other "homegrown" HR systems used within the State.
5. The development of statewide security capabilities.

5.0 PROJECT SIGN-OFFS

Signature on file

_____
Steve Westly, State Controller   Date
Project Sponsor

Signature on file

_____
Vince P. Brown, Chief Operating Officer   Date
State Controller's Office

Signature on file

_____
John Harrigan, Project Executive   Date
Chief, Personnel/Payroll Services Division, State Controller's Office

Signature on file

_____
Dave Dawson, Chief Information Officer   Date
Chief, Information Systems Division, State Controller's Office

Signature on file

_____
Craig Grivette, Director   Date
Stephen P. Teale Data Center, Business Partner

Signature on file

_____
Michael T. Navarro, Director   Date
Department of Personnel Administration, Business Partner

Signature on file

_____
Richard P. West, Executive Vice Chancellor   Date
California State University, Chancellor's Office